

FCC MAIL SECTION

Before the  
Federal Communications Commission  
Washington, D.C. 20554

DEC 17

MD Docket No. 93-297

In the Matter of

The Establishment of Commission  
Rules concerning the Administration  
of Accounting Authorities in  
the Maritime Mobile and the Maritime  
Mobile-Satellite Radio Services Except  
for Distress and Safety Communications

**NOTICE OF PROPOSED RULEMAKING**

Adopted: November 19, 1993; Released: December 17, 1993

Comment Date: February 3, 1994

Reply Comment Date: February 18, 1993

By the Commission:

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**I. INTRODUCTION**

1. By this action we propose to establish regulations for the administration of accounting authorities in the maritime mobile and the maritime mobile-satellite radio services except for distress and safety communications. We seek comment on the proposals set forth here as well as alternative proposals that commenters may have.

**II. BACKGROUND**

2. International telecommunications settlements involve the collection and payment by various accounting entities of charges due foreign administrations for messages transmitted at sea by or between maritime mobile stations located on board ships subject to U.S. registry and utilizing foreign coast and coast earth station facilities. The United States Government has performed accounting settlements for maritime mobile service message charges since 1913 and, more recently, for maritime mobile-satellite service messages. Under the provisions of Service Regulation XXXVI of the Berlin-Telegraph Convention of 1906 and the London Radiotelegraph Conference of 1912, to which the U.S. is a signatory, each Administration is required to provide for the collection of all tolls for the radiotelegraph traffic exchanged with stations of other Administrations. The proceedings of the London Convention Final Protocol (Part II Treaty Series, No. 58) were ratified by the Senate on July 8, 1913.

3. To comply with its treaty obligation, it became necessary for the U.S. to establish a clearinghouse to maintain accounts with each foreign administration concerned and with U.S. flag vessels operating in international or foreign waters. In accordance with Article XLII of the Service Regulations affixed to the London Conference, the Department of Commerce was authorized by the Senate to enforce all radio laws of the U.S. as well as the provisions of the Conference of 1912. By agreement between the Secretary of War, the Secretary of Commerce and the Secretary of State on March 19, 1913, the Navy Department was authorized to handle the settlement of international radio accounts.

4. On July 1, 1924, by authority of the General Appropriation Act of the Department of Commerce, FY 1925 (43 Stat. 220, PL 68-153 - Title III), the personnel and equipment of the International Radio Accounting Unit, Navy Department, together with all outstanding accounts owed to foreign administrations were transferred to the Bureau of Navigation, Department of Commerce.

5. On February 23, 1927, the Radio Division of the Bureau of Navigation, where the international radio accounts due foreign administrations were being processed, was transferred from the Bureau of Navigation and put directly under the supervision of the Secretary of Commerce by the Radio Act of 1927 (PL 69-632). The Radio Division was subsequently abolished on July 10, 1932, and its duties, powers, personnel, equipment and records were transferred to the Federal Radio Commission by authority of PL 212-72 and by Executive Order 5892. The international radio accounts were, by this authority, put under the jurisdiction of the Federal Radio Commission where they remained until 1934.

6. On June 10, 1934, the Federal Radio Commission was absorbed by the Federal Communications Commission, which had been created by the Communications Act of 1934. Title VI, Section 603 and Section 604 of the Act provided for the transfer of all employees, records, property, authorities and appropriations from the Federal Radio Commission to the Federal Communications Commission. At that time the international radio accounts were transferred to the jurisdiction of the Commission, where they are now maintained.

7. The subjects of international telecommunications accounting and settlements are addressed in the International Telecommunication Convention (Nairobi, 1982), in the International Telecommunication Regulations (Melbourne,

1988) (ITR), in the ITU Radio Regulations and in the CCITT Recommendations.<sup>1</sup> The CCITT develops technical, operational and service recommendations applicable to essentially all international telecommunications services via wire and radio. Provisions of Conventions and Regulations have treaty status and are therefore binding on the parties thereto. The CCITT Recommendations do not have treaty status and are not legally binding. However, as a practical matter, the CCITT Recommendations are effectively the standards that govern international telecommunications.<sup>2</sup>

8. Historically, most international settlements were handled solely between individual ship owners and foreign administrations or coast stations. This meant that, in most countries, there were literally thousands of addresses to which administrations would have to forward their invoices. A major exception was within the U.S. where the FCC had acted as a nationwide clearing house for the settlement of accounts since its inception in 1934.

9. The World Administrative Radio Conference (Geneva, 1979) changed the procedures governing accounting practices in the maritime mobile and maritime mobile-satellite services, partly in response to the perceived need to improve the efficiency of the international telecommunication settlements system. The Final Acts of the Conference, ratified by the U.S. Senate on October 27, 1983, revised Chapter IX of the international Radio Regulations by establishing a new Article 66 which set forth the following general principles to govern the international accounting for public correspondence in the maritime mobile and maritime mobile-satellite services:

5086	§2.	Charges for radiocommunications from ship to shore shall in principle, and subject to national law and practice, be collected from the maritime mobile station licensee:
5087	a)	by the administration that has issued the license; or
5088	b)	by a recognized private operating agency; or
5089	c)	by any other entity or entities designated for this purpose by the administration referred to in No. 5087.

10. The Mobile World Administrative Radio Conference in 1987 passed a resolution (contained in the Regulations as Resolution No. 334) providing that the provisions of Article 66 should merely refer to the International Telecommunication Regulations (ITR), assuming that the World Administrative Telegraph and Telephone Confer-

ence (WATTC-88) placed the substance of the Article 66 provisions into the ITR. The WATTC-88 did incorporate these provisions into the ITR (effective July 1, 1990). We assume a future competent Radiocommunication Conference will eventually implement the provisions of Resolution No. 334. In any event, both the current Radio Regulations and the ITR provide that the CCITT Recommendations are to be taken into account when applying the international regulatory provisions. As it now stands, the implementing recommendations developed by the CCITT include: (1) Rec. D.90 on charging, accounting and refunds; (2) Rec. D.195 on settlement of international telecommunication balances of accounts; (3) Rec E.200 on operational provisions for maritime mobile services; (4) Rec. F.100 on mobile operational provisions; and (5) the newest recommendation adopted, Rec. F.111 on principles of service for mobile systems.

11. The organization within the FCC responsible for the settlement of maritime mobile and maritime mobile-satellite accounts with foreign administrations is the International Telecommunications Settlements (ITS) Section of the Financial Management Division, Office of Managing Director. The settlement operation basically consists of examining and processing invoices received from foreign administrations to ensure the validity of the charges and, in turn, billing U.S. shipowners for the charges due the foreign country. The accounts generally contain the ship call sign and name, the date the message was transmitted, the number of words or minutes, the cost per word or minute in gold francs or Special Drawing Rights (SDRs) and the amount due shown in either gold francs or SDRs. Collections are then processed and appropriate payments made to the foreign countries or their agents through the U.S. Treasury. The Commission, as one of 15 Accounting Authorities currently recognized by the FCC, expects to process 340,000 separate charges from as many as 100 entities during the next twelve months, with estimated collections totaling \$12.0 million. The settlement clearing-house service was performed by the FCC at no cost to licensees until December 19, 1989 when Public Law 101-239 established a \$2.00 per line item administrative fee applicable to all ITS billings.

12. The FCC, in accordance with international procedures described infra, has also permitted private entities, called "accounting authorities", to settle accounts between U.S. registered ships and foreign administrations just as the Commission does. (See *In The Matter of Accounting and Operating Procedures in the Maritime Mobile Service*, FCC 80-741, Mimeo No. 28600 (released December 12, 1980).) In addition, the accounting authority may settle accounts of foreign licensed vessels either exclusively or in addition to settling U.S. accounts. Vessel operators/licensees choosing to have these private entities settle their accounts are generally also charged a fee under some sort of contractual

<sup>1</sup> "CCITT" is the French acronym for the International Telegraph and Telephone Consultative Committee within the International Telecommunication Union (ITU). "CCITT" is nevertheless the recognized acronym used in most languages - including English.

<sup>2</sup> At the ITU Additional Plenipotentiary Conference (APP) in Geneva (December 1992), the structure, working methods, and construct of the basic ITU treaty instrument were modified. The result from this is that the names of the sub-entities of the ITU will change (e.g., the CCITT will become the Telecom-

munication Standardization Sector - TSS and the new primary treaty instruments will become the ITU Constitution and the ITU Convention (with consequential renumbering of all provisions). We note that the changes coming from the APP were placed into provisional effect on March 1, 1993; however, since the formal entry into force of these changes is not until July 1, 1994 (as between those ITU Member countries who have ratified or acceded to the new instruments), we will refer to the familiar, existing ITU nomenclatures and documents for convenience and ease of understanding in this instant proceeding.

arrangement. In certain cases, the vessels are owned and/or operated by the same company that is acting as an accounting authority.

13. Accounting authorities have been established or certified by the Commission in accordance with the procedures delineated in the CCITT Recommendations. Those procedures allow administrations to establish up to 25 accounting authorities per country. Specifically, accounting authorities are designated by the assignment of an individual Accounting Authority Identification Code (AAIC). This code is used by ships and foreign coast stations to identify where charges for messages transmitted through foreign facilities are to be sent for collection. All accounting authorities approved by the Commission to settle maritime accounts for U.S. licensed vessels are assigned a discrete four-character alpha-numeric code. Accounting authorities operating in the U.S. are assigned codes with a "US" prefix. Currently, only eight codes beginning with the prefix US are authorized, including US01 which is used by the Commission's ITS Section in its settlement activities.<sup>3</sup> Foreign-based accounting authorities may also be certified to settle accounts of U.S. licensed vessels. If approved, they use the AAIC originally assigned to them by their country of origin. The Commission has currently certified seven foreign-based accounting authorities<sup>4</sup> to settle accounts for U.S. flag vessels. Although all certifications have technically been interim certifications, twelve years have elapsed since the original interim assignments.

14. Because the entities authorized AAICs by the Commission have generally been cooperative with the FCC and are familiar with maritime accounting issues, the Commission has had few problems with accounting authorities that have not been resolved satisfactorily. We believe, however, that the responsibilities of accounting authorities should be spelled out and that their settlement activities should be monitored to ensure applicable international procedures are being followed.

15. There are currently *no* rules, formal guidance or procedures issued by the Commission for determining who should be certified as an accounting authority. There are *no* FCC standards of conduct for accounting authorities nor any requirement to keep the Commission informed of their activities. There are *no* rules to ensure that the overall United States settlement activity is pursued in accordance with established procedures. We believe that at least minimal regulations should be in place to assist current and future accounting authorities in adhering to those international procedures as a matter of public interest and in fulfillment of U.S. treaty interests.

16. To that end, this Notice proposes rules that would establish an application and approval process for becoming an accounting authority to ensure that only qualified applicants perform this function. The application process and procedural rules would also apply to entities currently settling accounts under interim Commission certification. The interim certification will be cancelled 60 days after the effective date of these rules if these entities do not follow the application process. The Notice also proposes standard-

ized operational procedures and reporting mechanisms that would assist the Commission in monitoring the overall settlement function. The proposed rules declare an FCC rule for using the accounting authority's receipt date of accounts for purposes of determining the appropriate conversion rate for the Special Drawing Rights (SDRs). The proposed rules also establish procedures to govern situations where an accounting authority is not operating in accordance with Commission or established international procedures.

17. The Notice proposes rules to ensure compliance in situations where the licensee fails to remit proper and timely payment for public correspondence communications to the Commission or to another accounting authority. Finally, the proposed rules declare that the ship station licensees are *ultimately liable* for the proper and timely payment of public correspondence communications.

### III. GENERAL DISCUSSION OF THE PROPOSED RULES

18. **Eligibility.** We propose that U.S. citizenship requirements not be imposed on accounting authorities. We propose, instead, certain restrictions regarding the physical location of accounting authority settlement facilities for those accounting authorities wishing to be assigned an Accounting Authority Identification Code with a "US" prefix. These sections also make it clear that prior experience in accounting or settlement activities will be considered but is not a prerequisite to becoming an accounting authority. Applicants must be willing and able to accept clients at a reasonable charge; must agree to settle accounts in both gold francs and Special Drawing Rights (SDRs) and to use the conversion rate mandated by the International Monetary Fund; and must agree to conduct operations in accordance with applicable FCC policies and rules, the International Telecommunication Regulations and other international rules, regulations, agreements, and, where appropriate, CCITT Recommendations. Finally, these sections require that all entities intending to settle accounts of U.S. licensed vessels obtain prior Commission authorization to do so.

19. **Application Procedures.** The proposed rules require the filing of an original FCC application form (See Exhibit 1.) in order to be considered as an accounting authority. We have attempted to keep the application form simple and streamlined, yet comprehensive enough to provide sufficient information on which to base a decision as to whether to certify an applicant as an accounting authority. The proposed rules request only basic information identifying the applicant and describing the applicant's objectives and capabilities with respect to the accounting authority function. To ascertain the latter, we are requesting that any relevant experience of an applicant be detailed and that the applicant's proposed settlement plans be provided. To obtain basic information about the applicant, we are requesting information regarding the proposed structure of the applicant's settlement business and similar background data which, in combination with our request for documents

<sup>3</sup> Besides the FCC, the other Accounting Authorities assigned a "US" code are: Mackay Communications, Inc.; Radio-Holland, USA; SALT Communications, Inc.; Mobile Marine Radio, Inc.; Exxon Communications Company; Raytheon Service Company and Global Communications, Inc.

<sup>4</sup> The following foreign companies have been approved as

Accounting Authorities: Kelvin Hughes Ltd (England); Peninsular Electronics Ltd (England); STC International Marine, Ltd. (England); Marconi International 0\* Marine Co., Ltd. (England); E.B. Communications Ltd (England); International Radio Traffic Services (Ireland) and ANDgate Ltd. (Gibraltar).

demonstrating financial responsibility, should provide an adequate basis for determining whether to issue a certification.

20. We propose to process applications on a first-come, first-served basis. However, the Commission is proposing to "grandfather" all current accounting authorities as long as they are otherwise qualified and follow the procedures established by the rule to obtain permanent accounting authority authorizations. Existing accounting authorities are not exempt from the new application procedures and would be required to apply for permanent accounting authority certifications within 60 days of the effective date of these rules or risk losing their status as accounting authorities.

21. The proposed rules establish an FCC policy that a minimum of 15 of the available 25 Accounting Authority Identification Codes (AAICs) be reserved for use by accounting authorities conducting settlement operations in the United States. Those accounting authorities proposing to conduct settlement operations within the United States will be assigned a "US" AAIC prefix if approved. Certified accounting authorities, who maintain their settlement operations outside the U.S., will retain the AAIC originally assigned by the country of origin. We do not intend to approve as accounting authorities any foreign-based entities who have not already been approved as accounting authorities by other administrations.

22. Because the primary purpose of our proposed rules is to ensure adherence to international settlement procedures, we are including language in the application and rules which would make clear to applicants the requirement to adhere to applicable FCC policies and rules, the International Telecommunication Regulations (ITR), and other international rules, regulations, agreements, and, where appropriate, CCITT Recommendations. The rules also propose that all applicants provide evidence of financial responsibility. To the extent that the applicant is a business with sound accounting capability, formal financial statements will be required. Individuals may provide other documentation proving all assets, liabilities, income and expenses. We invite comment as to the types of documents acceptable for this purpose as well as the specific criteria for evaluation. Although the United States is not a guarantor of payments by its citizens, our proposed rules seek to minimize potential financial risks that might be present if settlement operations are performed by other accounting authorities and to document FCC policy that the ship station licensee has final responsibility for settlement should their selected accounting authority be unable or unwilling to make valid payments to foreign entities.

23. The rules also detail the procedures the Commission will utilize to obtain any public comment on applications received by the Commission as well as to notify applicants as to whether they have been certified as accounting authorities. Comments received during the informal public comment period, to the extent that we receive information that an applicant could not meet the financial or technical responsibilities of an accounting authority, or, otherwise serve the best interests of the U.S. Government, will be taken into consideration in making a determination as to whether to approve the applicant as an accounting authority.

24. The Commission would examine the applicant's basic qualifications and any comments received during the informal public comment period, and, if the applicant is found

to be qualified, the Commission would then inform the applicant, in writing, that the application has been approved.

25. **Settlement Operations.** We set forth in these sections several operational requirements for accounting authorities to follow. Basically, these operational requirements parallel applicable ITR and other international rules, regulations, agreements, and applicable CCITT Recommendations and require adherence to established international procedures.

26. We are proposing to allow accounting authorities a full six months following certification as an accounting authority to commence settlement operations. This appears to us to be a reasonable period of time in which to initiate settlements.

27. The rules also propose a settlement period, or period of time within which individual settlements must be accomplished, consistent with ITU procedures. This provision requires accounting authorities to make timely payment to foreign administrations and to accept accounts both in gold francs and in Special Drawing Rights (SDRs). These requirements are in accord with existing international procedure and FCC policy, as is the requirement to settle accounts taking into consideration CCITT Recommendation D.90.

28. In addition, the proposed rules establish the requirement that accounting authorities cooperate fully with the Commission concerning maritime settlements issues. This requirement is designed to ensure that outstanding accounting settlement issues or financial problems of accounting authorities are resolved effectively, timely and in accordance with established policies and procedures. Since the United States government is required, upon request, to take all possible steps, within the limits of applicable national law, to ensure settlement of the accounts of the licensee, (Radio Regulations, Geneva 1979, Article 66, Section III Accounting, paragraph 10, number 5097) this requirement is intended to ensure that the Commission is kept aware of potential problems or issues which could affect the national interest or which could have a significant impact on overall settlement operations. The proposed rules also make accounting authorities subject to audit by the Commission or its representative.

29. **Reporting Requirements.** We propose several new reporting requirements that would be required of accounting authorities. These reports should enable the Commission to monitor accounting authority operations to ensure adherence to these rules and to appropriate international settlement procedures. Currently, the Commission submits monthly reports to the ITU in Geneva detailing the inventory of U.S. licensed ship stations operating in international waters. We propose that accounting authorities provide the Commission with a detailed report of additions, deletions, or modifications to their inventory of serviced vessels each month. The Commission would use this information to maintain the ITU database and to assure efficient settlement operations. The rules also require an end of year inventory of vessels for which the accounting authority is the settlement entity and an annual statistical report (See Exhibit 2.) which would provide information to the Commission regarding settlement operations.

30. **Enforcement.** These sections of the rules set forth the procedures the Commission will use to investigate and to resolve complaints or infractions of the Commission's rules or established international settlement procedures. The proposed rules specify grounds for enforcement sanctions, in-

cluding forfeiture, and/or cancellation of an accounting authority's certification. The rules also specify that the Commission will afford an accounting authority notice and an opportunity to present its side of any issue involving cancellation of its accounting authority privilege. The rules also provide that any ship station licensee affected by the cancellation of an accounting authority's privilege must find another accounting authority to settle its accounts. The Commission will notify the ship stations, via a Public Notice, of any cancellations, and, inasmuch as possible, list individual shipowners serviced by the cancelled accounting authority and identified from the required reports of vessel inventories. Finally, the proposed rules provide for forfeiture or other sanction action should a ship operator or licensee not remit full and timely payment to the Commission or to an approved accounting authority when properly billed or in the event that the accounting authority fails in their responsibility to forward payment to the foreign entity. The Commission reserves the right to cooperate with foreign administrations in restricting public correspondence communications to and from vessels for which valid payments have not been received or made as required (Distress and safety communications must be carried without charge.) and to utilize available debt collection procedures to collect amounts owed.

#### IV. PROCEDURAL MATTERS

31. **Ex Parte.** This is a non-restricted notice and comment rule-making proceeding. *Ex parte* presentations are permitted, except during the Sunshine Agenda period, provided they are disclosed as provided in Commission rules. See generally 47 C.F.R. Sections 1.1202, 1.1203, and 1.1206(a).

32. **The Regulatory Flexibility Act.** As required by Section 603 of the Regulatory Flexibility Act, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the expected impact on small entities of the proposals suggested in this document. The IRFA is set forth in Appendix 2. Written public comments are requested on the IRFA. These comments must be filed in accordance with the same filing deadlines as comments on the rest of the Notice, but they must have a separate and distinct heading designating them as responses to the Initial Regulatory Flexibility Analysis. The Secretary shall send a copy of this Notice of Proposed Rule Making, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration in accordance with paragraph 603(a) of the Regulatory Flexibility Act. Public L. No. 96-354, 94 Stat. 1164, 5 U.S.C. Section 601 *et seq* (1981).

33. **Notice and Comment Provision.** Authority for the proposed rules is contained in Sections 4(i), 4(j), and 303(r) of the Communications Act of 1934, as amended (47 U.S.C. §§154(i), 154(j) and 303(r)). Pursuant to Sections 1.415 and 1.419 of the Commission's rules, interested parties may file comments on or before **February 3, 1994**, and reply comments on or before **February 18, 1994**. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision, the Commission may take into consideration information and ideas not contained in the comments, provided that such information or a writing indicating the nature and source of such information is

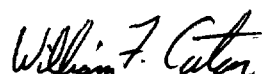
placed in the public file, and provided that the Commission's reliance on such information is noted in the Report and Order.

34. Participants in this proceeding must file an original and four copies of all comments, reply comments, and supporting documents. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. Persons who wish to participate informally may submit two copies of their comments, stating thereon the docket number of this proceeding. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) at that address. For additional information on this proceeding, please contact Shirley Wood at (202) 632-1027.

#### V. CONCLUSION

35. The Commission is proposing these rules to establish basic qualifications and requirements for individuals or entities who may wish to serve as accounting authorities for the settlement of international radio maritime accounts involving U.S. registered vessels operating in foreign or international waters. By these rules, the Commission seeks to ensure that accounting authorities operate in accordance with established international procedures. We seek comment on the proposed rules and any alternatives you may have.

#### FEDERAL COMMUNICATIONS COMMISSION

  
William F. Caton  
Acting Secretary

#### APPENDIX 1

Title 47 of the Code of Federal Regulations is revised to add a new Part 3 as follows:

#### Part 3 - AUTHORIZATION AND ADMINISTRATION OF ACCOUNTING AUTHORITIES IN MARITIME AND MARITIME MOBILE-SATELLITE RADIO SERVICES

##### General

Sec.

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- 3.49 Agreement to be audited.
- 3.50 Retention of settlement records.
- 3.51 Cessation of operations.
- 3.52 Complaint/inquiry resolution procedures.
- 3.53 FCC notification of refusal to provide telecommunications service to U.S. registered vessel(s).
- 3.54 Notification of change in address.

**Reporting Requirements**

- 3.60 Reports.
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**Enforcement**

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- 3.71 Warnings.
- 3.72 Grounds for further enforcement action.
- 3.73 Waiting period after cancellation.
- 3.74 Ship stations affected By suspension, cancellation or relinquishment.

- 3.75 Licensee's failure to make timely payment.
- 3.76 Licensee's liability for payment.

**General****§ 3.1 Scope, basis, purpose.**

By these rules the Federal Communications Commission is delineating its responsibilities in certifying and monitoring accounting authorities in the maritime mobile and maritime mobile-satellite radio services. These entities settle accounts for public correspondence. These rules are intended to ensure that settlements of accounts for U.S. licensed ship radio stations are conducted in accordance with the International Telecommunication Regulations (ITR), taking into account the applicable CCITT Recommendations.

**§ 3.2 Terms and definitions.**

(a) **Accounting Authority.** The Administration of the country that has issued the license for a mobile station (or the recognized private operating agency or other entity/entities designated by the Administration in accordance with L1 to L6 of CCITT Recommendation D.90) to whom maritime accounts in respect of mobile stations licensed by that country may be sent.

(b) **Accounting Authority Certification Officer.** The official designated by the Managing Director, Federal Communications Commission, who is responsible, based on the coordination and review of information related to applicants, for granting certification as an accounting authority in the maritime mobile and maritime mobile-satellite radio services. The Accounting Authority Certification Officer may initiate action to suspend or cancel an accounting authority certification if it is determined to be in the public's best interest.

(c) **Accounting Authority Identification Codes (AAICs).** The discrete identification code of accounting authority responsible for the settlement of maritime accounts (Annex A to CCITT Recommendation D.90).

(d) **Administration.** Any governmental department or service responsible for discharging the obligations undertaken in the Convention of the International Telecommunication Union and the Radio Regulations. For purposes of these rules, "Administration" refers to a foreign government or the U.S. Government, and more specifically, to the Federal Communications Commission.

(e) **Authorization.** Approval by the Federal Communications Commission (FCC) to operate as an accounting authority. Synonymous with "certification".

(f) **CCITT.**<sup>5</sup> The internationally recognized French acronym for the International Telegraph and Telephone Consultative Committee, one of the sub-entities of the International Telecommunication Union (ITU). The CCITT is responsible for developing international telecommunications recommendations relating to standardization of international telecommunications services and facilities, including matters related to international charging and ac-

<sup>5</sup> At the ITU Additional Plenipotentiary Conference in Geneva (December 1992), the structure, working methods, and construct of the basic ITU treaty instrument were modified. The result of this is that the names of the sub-entities of the ITU will change (e.g., the CCITT will become the Telecommunication Standardization Sector and Recognized Private Operating

Agency will become Recognized Operating Agency). The changes were placed into provisional effect on March 1, 1993; however, since the formal entry into 0\* force of these changes is not until July 1, 1994, we will refer to the familiar, existing ITU nomenclatures and documents for convenience and ease of understanding in this instant proceeding.

counting principles and the settlement of international telecommunications accounts. Such recommendations are, effectively, the detailed implementation provisions for topics addressed in the International Telecommunication Regulations (ITR).

(g) **Certification.** Approval by the Federal Communications Commission (FCC) to operate as an accounting authority. Synonymous with "authorization".

(h) **Coast Earth Station.** An earth station in the fixed-satellite service or, in some cases, in the maritime mobile-satellite service, located at a specified fixed point on land to provide a feeder link for the maritime mobile-satellite service.

(i) **Coast Station.** A land station in the maritime mobile service.

(j) **Commission.** The Federal Communications Commission. The FCC.

(k) **Gold Franc.** A monetary unit representing the value of a particular nation's currency to a gold par value. One of the monetary units used to effect accounting settlements in the maritime mobile and the maritime mobile-satellite services.

(l) **International Telecommunication Union (ITU).** One of the United Nations family organizations headquartered in Geneva, Switzerland along with several other United Nations (UN) family organizations. The ITU is the UN agency responsible for all matters related to international telecommunications. The ITU has over 170 Member Countries, including the United States, and provides an international forum for dealing with all aspects of international telecommunications, including radio, telecom services and telecom facilities.

(m) **Linking Coefficient.** The ITU mandated conversion factor used to convert gold francs to Special Drawing Rights (SDRs). Among other things, it is used to perform accounting settlements in the maritime mobile and the maritime mobile-satellite services.

(n) **Maritime Mobile Service.** A mobile service between coast stations and ship stations, or between ship stations, or between associated on-board communication stations. Survival craft stations and emergency position-indicating radiobeacon stations may also participate in this service.

(o) **Maritime Mobile-Satellite Service.** A mobile-satellite service in which mobile earth stations are located on board ships. Survival craft stations and emergency position-indicating radiobeacon stations may also participate in this radio service.

(p) **Public Correspondence.** Any telecommunication which the offices and stations must, by reason of their being at the disposal of the public, accept for transmission. This usually applies to maritime mobile and maritime mobile-satellite stations.

(q) **Recognized Private Operating Agencies (RPOAs).**<sup>6</sup> Individuals, companies or corporations, other than governments or agencies, recognized by administrations, which operate telecommunications installations or provide telecommunications services intended for international use or which are capable of causing interference to international telecommunications. RPOAs which settle debtor accounts

for public correspondence in the maritime mobile and maritime mobile-satellite radio services must be certified as accounting authorities.

(r) **Ship Station.** A mobile station in the maritime mobile service located on board a vessel which is not permanently moored, other than a survival craft station.

(s) **Special Drawing Right (SDR).** A monetary unit of the International Monetary Fund (IMF) currently based on a market basket of exchange rates for the United States, West Germany, Great Britain, France and Japan but is subject to IMF's definition. One of the monetary units used to effect accounting settlements in the maritime mobile and maritime mobile-satellite services.

(t) **United States.** The continental U.S., Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands or any territory or possession of the United States.

### Eligibility

#### § 3.10 Basic qualifications.

(a) Applicants must meet the requirements and conditions contained in these rules in order to be certified as an accounting authority. No individual or other entity, including accounting authorities approved by other administrations, may act as a United States accounting authority and settle accounts of U.S. licensed vessels in the maritime mobile or maritime mobile-satellite services without a certification from the Federal Communications Commission.

(b) U.S. citizenship is not required of individuals in order to receive certification from the Commission to be an accounting authority. Likewise, joint ventures need not be organized under the laws of the United States in order to be eligible to perform settlements for U.S. licensed vessels. See, however, Section 3.11.

(c) Prior experience in maritime accounting, general commercial accounting, international shipping or any other related endeavor will be taken into consideration by the Commission in certifying accounting authorities. The lack of such expertise, however, will not automatically disqualify an individual, partnership, corporation or other entity from becoming an accounting authority.

(d) Applicants must provide formal financial statements or documentation proving all assets, liabilities, income and expenses.

#### § 3.11 Location of settlement operation.

(a) **Within the United States.** Certified accounting authorities maintaining all settlement operations, as well as associated documentation, within the United States will be assigned Accounting Authority Identification Codes with a "US" prefix.

(b) **Outside the United States.** Certified accounting authorities maintaining settlement operations outside the United States will be assigned the same Accounting Authority Identification Codes as those originally assigned to such entities by the administrations of the countries of origin. However, in no case will an entity be certified as an accounting authority for settlement of U.S. licensed vessel accounts unless the entity is requesting to conduct a settlement operation in the United States or has already been issued an AAIC by another administration.

<sup>6</sup> See Footnote, p. 13.



### Application Procedures

#### § 3.20 Application form.

Written application must be made to the Federal Communications Commission on FCC Form 44, "Application For Certification As An Accounting Authority" in order to be considered for certification as an accounting authority. No other application form may be used. No consideration will be given to applicants not submitting applications in accordance with these rules or in accordance with any other instructions the Commission may issue. FCC Form 44 may be obtained from the Commission by writing to the address shown in Section 3.61.

#### § 3.21 Order of consideration.

(a) Accounting Authority applications will be processed on a first-come first-served basis. When applications are received on the same day, the application with the earliest mailing date, as evidenced by the postmark, will be processed first.

(b) At any given time, there will be no more than 25 certified accounting authorities with a minimum of 15 "US" Accounting Authority Identification Codes (AAICs) reserved for use by accounting authorities conducting settlement operations within the United States. The Commission will retain all valid applications received after the maximum number of accounting authorities have been approved and will inform such applicants that should an Accounting Authority Identification Code become available for reassignment in the future, the Commission will conditionally certify as an accounting authority the oldest of the qualified pending applicants, as determined by the order of receipt. Final certification would be conditional upon filing of an amended application (if necessary). The Commission will inform the applicant of his/her conditional selection in writing to confirm the applicant's continued interest in becoming an accounting authority.

#### § 3.22 Number of accounting authority identification codes per applicant.

(a) No entity will be entitled to or assigned more than one Accounting Authority Identification Code (AAIC).

(b) Accounting Authority Identification Codes may not be reassigned, sold, bartered or transferred and do not convey upon sale or absorption of a company or firm without the express written approval of the Commission. Only the FCC may certify accounting authorities and assign U.S. Accounting Authority Identification Codes for entities settling accounts of U.S. licensed vessels in the maritime mobile and maritime mobile-satellite services.

#### § 3.23 Legal applicant.

The application shall be signed by the individual, partner or primary officer of a corporation who is legally able to obligate the entity for which he or she is a representative.

#### § 3.24 Evidence of financial responsibility.

All applicants must provide evidence of sound financial status. To the extent that the applicant is a business, formal financial statements will be required. Other applicants may submit documentation proving all assets, liabilities, income and expenses which supports their ability to meet their personal obligations.

#### § 3.25 Number of copies.

One original and two copies of FCC Form 44, "Application For Certification As An Accounting Authority" will be required. Only applications mailed to the Commission on official, Commission approved application forms will be considered. Applications should be mailed at least 90 days prior to planned commencement of settlement activities to allow time for the Commission to review the application and to allow for the informal public comment period.

#### § 3.26 Where application is to be mailed.

All applications shall be mailed to the Accounting Authority Certification Officer in Washington, D.C. The designated address will be displayed on the FCC Form 44, "Application for Certification As An Accounting Authority".

#### § 3.27 Amended application.

Changes in circumstances of a material nature that cause information previously supplied to the FCC to be incorrect or incomplete and that could affect the approval process, require the submission of an amended application. The amended application should be mailed to the Commission immediately following such material change. See also Sections 3.24 and 3.51.

#### § 3.28 Denial of privilege.

The Commission, in its sole discretion, may refuse to grant an application to become an accounting authority for any of the following reasons:

(a) Failure to provide evidence of acceptable financial responsibility.

(b) If the applicant, in the opinion of the FCC reviewing official, does not possess the qualifications necessary to the proper functioning of an accounting authority.

(c) Application is not personally signed by the proper official(s).

(d) Applicant does not provide evidence that accounting operations will take place in the United States or its territories and the applicant does not already possess an AAIC issued by another administration.

(e) Application is incomplete, the applicant fails to provide additional information requested by the Commission or the applicant indicates that it cannot meet a particular provision.

(f) When the Commission determines that the grant of an authorization is contrary to the public interest.

#### § 3.29 Notification of authorization.

(a) The Commission will publish the name of an applicant in a Public Notice before granting certification and will invite informal public comment on the qualifications of the applicant from any interested parties. Comments received will be taken into consideration by the Commission in making its determination as to whether to approve an applicant as an accounting authority.

(b) The Commission will notify each applicant in writing as to whether the applicant has been approved as an accounting authority. If the application is not approved, the Commission will provide a brief statement of the grounds for denial.



(c) The names and addresses of all newly certified accounting authorities will be published in a Public Notice issued by the Commission. Additionally, the Commission will notify the ITU within 30 days of any changes to its approved list of accounting authorities.

### **Settlement Operations**

#### **§ 3.40 Operational requirements.**

All accounting authorities must conduct their operations in conformance with the provisions contained in this section and with relevant rules and guidance issued from time to time by the Commission.

#### **§ 3.41 Amount of time allowed before initial settlements.**

An accounting authority must begin settling accounts no later than six months from the date of certification. Failure to commence settlement operations is cause for suspension or cancellation of an accounting authority certification.

#### **§ 3.42 Location of processing facility.**

Settlement of maritime mobile and maritime mobile-satellite service accounts must be performed within the United States by all accounting authorities possessing the "US" prefix. Other accounting authorities approved by the Commission may settle accounts either in the U.S. or elsewhere. See also Sections 3.11 and 3.21(b).

#### **§ 3.43 Applicable rules and regulations.**

Accounting authority operations must be conducted in accordance with applicable FCC rules and regulations, the International Telecommunication Regulations (ITR), and other international rules, regulations, agreements, and, where appropriate, CCITT Recommendations. In particular, the following must be adhered to (or taken into account in the case of CCITT Recommendations):

(a) The latest basic treaty instrument(s) of the International Telecommunication Union (ITU) which have been ratified by the United States - currently the ITU Convention (Nairobi, 1982);

(b) Binding agreements contained in the Final Acts of World Administrative Radio Conferences and/or World International Telecommunication Conferences;

(c) ITU Radio Regulations;

(d) ITU International Telecommunication Regulations (ITR);

(e) CCITT Recommendations (particularly D.90 and D.195); and

(f) FCC Rules and Regulations.

#### **§ 3.44 Time to achieve settlements.**

All maritime telecommunications accounts should be timely paid in accordance with applicable ITU Regulations, Article 66 and International Telecommunication Regulations (Melbourne, 1988). Accounting authorities are deemed to be responsible for remitting, in a timely manner, all valid amounts due to foreign administrations or their agents.

#### **§ 3.45 Amount of charges.**

Accounting Authorities may charge any reasonable fee for their settlement services. Settlements themselves, however, must adhere to the standards set forth in these rules

and must be in accordance with the International Telecommunication Regulations (ITR) taking into account the applicable CCITT Recommendations and other guidance issued by the Commission.

#### **§ 3.46 Use of gold francs.**

An accounting authority must accept accounts presented to it from foreign administrations in gold francs. These gold francs must be converted on the date of receipt of the bill to the applicable Special Drawing Right (SDR) rate (as published by the International Monetary Fund) on that date utilizing the linking coefficient of 3.061 gold francs = 1 SDR. An equivalent amount in U.S. dollars must be paid to the foreign administration. Upon written concurrence by the FCC, an accounting authority may make separate agreements, in writing, with foreign administrations or their agents for alternative settlement methods, in accordance with CCITT Recommendation D.195.

#### **§ 3.47 Use of SDRs.**

An accounting authority must accept accounts presented to it from foreign administrations in Special Drawing Rights (SDRs). These SDRs must be converted to dollars on the date of receipt by the accounting authority and an equivalent amount in US dollars must be paid to the foreign administration. The conversion rate will be the applicable rate published by the International Monetary Fund (IMF) for the date of receipt of the account from the foreign administration. Upon written concurrence by the FCC, any accounting authority may make separate agreements, in writing, with foreign administrations or their agents for alternative settlement methods, provided account is taken of CCITT Recommendation D.195.

#### **§ 3.48 Cooperation with the Commission.**

Accounting authorities must cooperate fully with the FCC in all respects concerning international maritime settlements issues, including the resolution of questions of fact or other issues arising as a result of settlement operations.

#### **§ 3.49 Agreement to be audited.**

Accounting authorities accept their certifications on condition that they are subject to audit by the Commission or its representative at any time. Additionally, the Commission reserves the right to verify any statement(s) made or any materials submitted to the Commission under these rules. Verification may involve discussions with ship owners or others as well as the requirement to submit additional information to the Commission. Failure to respond satisfactorily to any audit findings is grounds for forfeiture or suspension or cancellation of authority to act as an accounting authority for U.S. vessels.

#### **§ 3.50 Retention of settlement records.**

Accounting authorities must maintain, for the purpose of compliance with these rules, all settlement records for a period of at least seven years following settlement of an account with a foreign administration or agent.

#### **§ 3.51 Cessation of operations.**

The FCC must be notified immediately should an accounting authority plan to relinquish its certification or cease to perform settlements as authorized. Additionally, the Commission must be advised in advance of any pro-

posed transfer of control of an accounting authority's firm or organization, by any means, to another entity. Any transfer of control of an accounting authority firm or organization to another entity cancels the previous accounting authority certification. The new entity must apply for certification in its own right if it is interested in becoming an accounting authority.

#### § 3.52 Complaint/inquiry resolution procedures.

(a) Accounting authorities must maintain procedures for resolving complaints and/or inquiries from its contractual customers (vessels for which it performs settlements), the FCC, the ITU, and foreign administrations or their agents.

(b) If a foreign administration requests assistance in collection of accounts from ships licensed by the FCC, the appropriate accounting authority will provide all information requested by the Commission in a timely manner to enable the Commission to determine the cause of the complaint and to resolve the issue. If accounts are in dispute, the Commission will determine the amount due the foreign administration, accounting authority or RPOA, and may direct the accounting authority to pay the accounts to the foreign administration. If the accounting authority does not pay the disputed accounts within a reasonable timeframe, the Commission may take action to levy a forfeiture, cancel the AAIC privilege and/or to revoke any operating authority or licenses held by that accounting authority. (See also Section 3.72).

#### § 3.53 FCC notification of refusal to provide telecommunications service to U.S. registered vessel(s).

An accounting authority must inform the FCC immediately should it receive notice from any source that a foreign administration or facility is refusing or plans to refuse legitimate public correspondence to or from any U.S. registered vessel.

#### § 3.54 Notification of change in address.

The Commission must be notified in writing within 15 days of any change in address of an accounting authority. Such written notification should be sent to the address shown in Section 3.61.

### Reporting Requirements

#### § 3.60 Reports.

(a) Inventory of Vessels. Within 60 days after receiving final approval from the FCC to be an accounting authority, each certified accounting authority must provide to the FCC an initial list of vessels for which it is performing settlements. This list should contain only U.S. registered vessels. Such list shall be typewritten or computer generated, be annotated to indicate it is the initial inventory and be in the general format of the following and provide the information shown:

Vessel Name	Call Sign	Country of Registry
-------------	-----------	---------------------

(b) Monthly Report on Additions/Modifications/Deletions to Vessel Inventory. Beginning 30 days after submission of an accounting authority's Initial Inventory of Vessels (See paragraph (a) of this section) and each month thereafter, each accounting authority is required to submit to the FCC a monthly report on additions, modifications or deletions

to its list of vessels for which it is performing or intending to perform settlements, whether or not settlements actually have taken place. The list should contain only U.S. registered vessels. The report shall be typewritten or computer generated and be in the following general format:

#### ADDITIONS TO CURRENT VESSEL INVENTORY

Vessel Name	Call Sign	Effective Date
-------------	-----------	----------------

#### MODIFICATIONS TO CURRENT VESSEL INVENTORY

Previous Vessel Name	Previous Call Sign	New Vessel Name	New Call Sign	Effective Date
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#### DELETIONS TO CURRENT VESSEL INVENTORY

Vessel Name	Call Sign	Effective Date
-------------	-----------	----------------

The preceeding report must be received by the Commission no later than 15 days following the end of the month for which the report pertains. Modifications refer to changes to call sign or ship name of vessels for which the accounting authority settles accounts and for which basic information has previously been provided to the Commission. Reports are to be submitted even if there have been no additions, modifications or deletions to vessel inventories since the previous report. If there are no changes to an inventory, this should be indicated on the report.

(c) End of Year Inventory. By February 1st of each year, each accounting authority will submit an end-of-year inventory report listing vessels for which the accounting authority performs settlements as of the previous December 31st. The list should contain only U.S. registered vessels. The report must be typewritten or computer generated and prepared in the same general format as that shown in paragraph (a) of this section except it should be annotated to indicate it is the End of Year inventory.

(d) Annual Statistical Report of Settlement Operations. By February 1st of each year, each accounting authority settling accounts for U.S. registered vessels must prepare and submit to the FCC an Annual Statistical Report, FCC Form 45, which details the number and dollar amount of settlements, by foreign administration, during the preceding twelve months. Information contained in this report provides statistical data for Commission use.

#### § 3.61 Reporting address.

All reports must be received at the following address no later than the required reporting date:

Accounting Authority Certification Officer  
Financial Management Division, Stop 1110A  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

**Enforcement****§ 3.70 Investigations/sanctions.**

The Commission may investigate any complaints made against accounting authorities to ensure compliance with the Commission's rules and with applicable ITU Regulations and other international maritime accounting procedures.

**§ 3.71 Warnings.**

The Commission may issue written warnings or forfeitures to accounting authorities which are found not to be operating in accordance with established rules and regulations. Warnings will generally be issued for violations which do not seriously or immediately affect settlement functions or international relations. Continued or unresolved violations may lead to further enforcement action by the Commission, including any or all legally available sanctions, including but not limited to, forfeitures (Communications Act of 1934, Sec. 503), suspension or cancellation of the accounting authority certification.

**§ 3.72 Grounds for further enforcement action.**

(a) The Commission may take further enforcement action, including forfeiture, suspension or cancellation of an accounting authority certification, if it is determined that the public interest so requires. Reasons for which such action may be taken include, inter alia:

- (1) Failure to initiate settlements within six months of certification or failure to perform settlements during any subsequent six month period;
- (2) Illegal activity or fraud;
- (3) Non-payment or late payment to a foreign administration or agent;
- (4) Failure to follow ITR requirements and procedures;
- (5) Failure to take into account CCITT Recommendations;
- (6) Failure to follow FCC rules and regulations;
- (7) Bankruptcy; 0\*
- (8) Providing false or incomplete information to the Commission or failure to comply with or respond to requests for information.

(b) Prior to taking any of the enforcement actions in paragraph (a) of this section, the Commission will give notice of its intent to take the specified action and the grounds therefor, and afford an opportunity to respond in writing; provided that, where the public interest so requires, the Commission may temporarily suspend a certification pending completion of these procedures.

**§ 3.73 Waiting period after cancellation.**

An accounting authority whose certification has been cancelled must wait a minimum of three years before reapplying to be an accounting authority.

**§ 3.74 Ship stations affected by suspension, cancellation or relinquishment.**

(a) Whenever the accounting authority privilege has been suspended, cancelled or relinquished, the accounting authority is responsible for immediately notifying all U.S. ship licensees for which it was performing settlements of the circumstances and informing them of the requirement contained in paragraph (b) of this section.

(b) Those ship stations utilizing an accounting authority's AAIC for which the subject accounting authority certification has been suspended, cancelled or relinquished, must make contractual arrangements with another properly authorized accounting authority to settle its accounts.

(c) The Commission will notify the ITU of all accounting authority suspensions, cancellations and relinquishments, and

(d) The Commission will publish a Public Notice detailing all accounting authority suspensions, cancellations and relinquishments.

**§ 3.75 Licensee's failure to make timely payment.**

Failure to remit proper and timely payment to the Commission or to an accounting authority may result in one or more of the following actions against the licensee:

(a) Forfeiture or other authorized sanction.

(b) The refusal by foreign countries to accept or refer public correspondence communications to or from the vessel or vessels owned, operated or licensed by the person or entity failing to make payment. This action may be taken at the request of the Commission or independently by the foreign country or coast station involved.

(c) Further action to recover amounts owed utilizing any or all legally available debt collection procedures.

**§ 3.76 Licensee's liability for payment.**

The U.S. ship station licensee bears ultimate responsibility for final payment 0\* of its accounts. This responsibility cannot be superseded by the contractual agreement between the ship station licensee and the accounting authority. In the event that an accounting authority does not remit proper and timely payments on behalf of the ship station licensee:

(a) The ship station licensee will make arrangements for another accounting authority to perform future settlements, and

(b) The ship station licensee will settle any outstanding accounts due to foreign entities.

The Commission will, upon request, take all possible steps, within the limits of applicable national law, to ensure settlement of the accounts of the ship station licensee. As circumstances warrant, this may include issuing warnings to ship station licensees when it becomes apparent that an accounting authority is failing to settle accounts. See also Sections 3.70- 3.74.

**APPENDIX 2****Initial Regulatory Flexibility Analysis****Reason for Action**

This rulemaking proceeding is initiated to obtain comment regarding the administration of Accounting Authorities in the maritime mobile and maritime mobile-satellite radio services except for distress and safety communications.

**Objectives**

The Commission seeks to establish standards for the approval and/or cancellation of Accounting Authority certification to be administered by the Commission.

**Legal Basis**

The proposed action is authorized under sections 4(i), 4(j), and 303(r) of the Communications Act of 1934, as amended.

**Reporting, Recordkeeping and Other Compliance Requirements**

Entities or individuals who wish to become accounting authorities or who have been issued interim accounting authority certifications would need to file an application with the Commission and present assurance of financial responsibility. Accounting authorities would be required to report to the Commission on the status of their settlement activities.

**Federal Rules Which Overlap, Duplicate or Conflict With These Rules**

None.

**Description, Potential Impact, and Number of Small Entities Involved**

Any rule changes in this proceeding could affect small businesses wishing to become accounting authorities. The number of small entities that will be affected is unknown. The Commission will further examine the impact of any rule changes on small entities after evaluating the comments in this proceeding.

**Any Significant Alternatives Minimizing the Impact on Small Entities Consistent with the Stated Objectives**

None.

FEDERAL COMMUNICATIONS COMMISSION

APPLICATION FOR CERTIFICATION  
AS AN ACCOUNTING AUTHORITY

Approved by OMB  
3060-  
Approval Expires  
See page 3 for information  
regarding public burden estimate.

FCC USE ONLY	
Approved:	Yes <input type="checkbox"/> Assigned AAIC [ _ _ _ _ ]
	No <input type="checkbox"/> Reason for Denial Attached

**INSTRUCTIONS:** This application is to be used to apply to become an Accounting Authority in accordance with Part 3 of the Commission's rules. Complete all items and mail the original and two copies of your application, together with a copy of any applicable Articles of Incorporation and/or Bylaws, to the following address:

ACCOUNTING AUTHORITY CERTIFICATION OFFICER  
FINANCIAL MANAGEMENT DIVISION, STOP 1110A  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554

Please allow up to six weeks to process your application. (NO FEE REQUIRED)

Failure to respond to all items may result in your application being returned without action. Please review the application carefully and ensure that the application is signed by the appropriate official(s) and that all required information is provided.

Name of Applicant - Individual: (Last, First, MI)

Names of Applicants - (Partnership):

Name of Applicant - (Corporation):

Are you currently an Accounting Authority? ..... ☐ Yes ☐ No

If yes, show your current AAIC here: [ \_ \_ \_ \_ ]

BUSINESS ADDRESS:		ADDRESS WHERE SETTLEMENTS WILL ACTUALLY BE PROCESSED:	
STREET ADDRESS:		STREET ADDRESS:	
CITY:		CITY:	
STATE:	ZIP CODE:	STATE:	ZIP CODE:
COUNTRY:		COUNTRY:	
NORMAL BUSINESS HOURS:		TELEPHONE NUMBER (include area code):	

**APPLICANT ANTI-DRUG CERTIFICATION:** By checking "YES", the applicant certifies that, in the case of an individual applicant, he or she is not subject to denial of federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 882, or, in the case of a non-individual applicant (e.g., corporation, partnership, or other unincorporated association), no party to the applicant is subject to a denial of federal benefits, that includes FCC benefits, pursuant to that section. For the definition of "party" for these purposes, see 47 CFR 1.2002(b). ..... ☐ Yes ☐ No

Willful false statements made on this form can be cause for denial, suspension or cancellation of Accounting Authority Certification and are punishable by fine and/or imprisonment. U.S. Code, Title 18, Section 1001, AND/OR REVOCATION OF STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

FCC Form 44

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**Qualifications:** *(Use additional sheets if necessary):*

*Detail any prior relevant qualifying experiences as well as how you plan to conduct settlements. Your statement should provide sufficient information for the Commission to determine if you are qualified to perform settlements.*

---

Will you be settling accounts for U.S. licensed vessels? Yes ☐ No ☐

---

**Structure of Company or Corporation** *(Use additional sheets if necessary):*

*Please provide a brief summary describing the structure of your settlement operation as it relates to your overall company or corporate structure. Provide a copy of your Articles of Incorporation and/or Bylaws.*

---

**PROJECTED STAFFING:**  
*(Settlement Function Only)*

Number of Full-Time Employees: \_\_\_\_\_

Number of Part-Time Employees: \_\_\_\_\_

**Evidence of Financial Responsibility**

All applicants who intend to settle accounts for U.S. licensed ship stations must provide evidence of their financial responsibility. Data to support your claim may consist of a formal financial statement or other documentation that proves all assets, liabilities, income and expenses.

Type of evidence provided:

Projected Dollar Amount of Settlements to be Paid to Foreign Administrations on Behalf of U.S.

Licensed Vessels During the Remainder of the Current Calendar Year: 0

By virtue of my signature below, I hereby make application of the Federal Communications Commission to become an Accounting Authority. I have responded to all items on this application honestly and completely. I understand that should I be approved to be an Accounting Authority, I must adhere to all applicable FCC policies and rules, the International Telecommunications Regulations (ITR), and other rules, regulations, agreements, and where applicable, CCITT Recommendations, (47 CFR Section 3.43 of the Commission rules). I also acknowledge that I will submit to the FCC all required information reports in a timely manner and that I will meet all financial responsibility requirements. I agree to cooperate with the FCC on any matter and agree to be audited when deemed appropriate by the FCC. I further acknowledge that I may not trade, reassign, sell or otherwise transfer my authority to act as an Accounting Authority without the express approval of the FCC and that I may not be assigned more than one Accounting Authority Identification Code. I agree to maintain my processing operation within the United States unless I am an existing foreign Accounting Authority applying to settle accounts of U.S. licensed vessels. Should I cease to function as an Accounting Authority, I agree to notify the FCC immediately. I agree to maintain acceptable complaint resolution procedures and to notify the FCC immediately should I receive notice of any refusal of a foreign administration/facility to handle legitimate telecommunications between U.S. licensed vessels and the foreign entity.

I acknowledge that I am familiar with FCC Rule Part 3 concerning sanctions and grounds for forfeiture or suspension or cancellation of an Accounting Authority's certification.

Signed and Dated this Day: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

#### FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's Rules authorized the FCC to request the information on this application. The purpose of the information is to determine your eligibility for certification as an Accounting Authority. The information will be used by FCC staff to evaluate the application, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of Accounting Authorities. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available to the public. Your response is required to obtain the requested authorization.

Public reporting burden for this collection of information is estimated to average three hours per response, including the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Federal Communications Commission, Records Management Division, AMO-PIRS, Washington, DC 20554, and to the Office of Management and Budget, Paperwork Reduction Project (3080- ), Washington, DC 20503.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, P.L. 93-579, DECEMBER 31, 1974, 5 U.S.C. 552(a)(3) AND THE PAPERWORK REDUCTION ACT OF 1980, P.L. 96-511, DECEMBER 11, 1980, 44 U.S.C. 3507.

Information requested on; or, in connection with this form will be available for inspection by the public.

NOTE: In addition to the information required by this form, the Commission will request any additional information which may be necessary for consideration of this application.

FCC Form 44 - Page 3



FEDERAL COMMUNICATIONS COMMISSION

# ANNUAL STATISTICAL REPORT OF SETTLEMENT OPERATIONS

Approved by OMB  
3080-  
Approval Expires  
See page 2 for information  
regarding public burden estimate.

FOR CALENDAR YEAR ENDING: \_\_\_\_\_ AAIC: \_ \_ \_ \_

*INSTRUCTIONS: Each Accounting Authority must submit this report by February 1st following the end of the previous calendar year. Complete each item and sign the report where indicated. Show by country the number and amount of settlements processed during the preceding calendar year for U.S. registered vessels only. Do not show foreign registered or licensed vessels. The number of settlements is defined as the number of actual line items billed by the foreign administration or agent. The dollar amount of settlements should be associated with the line item totals. Reports should be typewritten and mailed to the following address:*

Accounting Authority Certification Officer  
Financial Management Division, STOP 1110A  
Federal Communications Commission  
Washington, D.C. 20554

- (1) Number of individual vessels (of U.S. registry) for which you performed at least one settlement action during the preceding calendar year: \_\_\_\_\_
- (2) Average number of unprocessed settlements on hand (as of December 31): ... \_\_\_\_\_
- (3) Number of settlements processed to completion more than 180 days after dispatch from foreign administration or agent: \_\_\_\_\_
- (4) Percent of settlements processed to completion more than 180 days after dispatch from foreign administration or agent: \_\_\_\_\_ %
- (5) Projected number of settlements for current calendar year: \_\_\_\_\_
- (6) Projected amount of settlements for current calendar year: \_\_\_\_\_ \$

Comments/Problems: \_\_\_\_\_

SIGNATURE OF PREPARER:

TITLE:

DATE:

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

FCC Form 45

# ANNUAL STATISTICAL REPORT OF SETTLEMENT OPERATIONS

AAIC: - - - -

*In the columns below, list by foreign administration the number and amount of settlements processed for U.S. licensed vessels only during the previous calendar year. If the report period covers less than a full calendar year, please indicate the applicable report period here:*

(1) Name of <u>Foreign Administration</u>	(2) Number of Foreign Settlements Received and Processed <u>Through To Final Settlement</u>	(3) Dollar Amount Actually Paid To <u>Foreign Administration</u>
---	--	---

Show Total Amount Paid to Foreign Administrations Here ..... ▶ \$ \_\_\_\_\_

**APPLICANT ANTI-DRUG CERTIFICATION:** By checking "YES", the applicant certifies that, in the case of an individual applicant, he or she is not subject to denial of federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 882, or, in the case of a non-individual applicant (e.g., corporation, partnership, or other unincorporated association), no party to the applicant is subject to a denial of federal benefits, that includes FCC benefits, pursuant to that section. For the definition of "party" for these purposes, see 47 CFR 1.2002(b). ..... ☐ Yes ☐ No

## FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's rules authorize the FCC to request the information on this report. The purpose of the information is to provide statistical information to the Commission for overall program monitoring purposes. Failure to provide all the requested information may be grounds for forfeiture, suspension or cancellation of your Accounting Authority privilege. Your response is required to obtain the requested authority.

Public reporting burden for this collection of information is estimated to average 4.75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Federal Communications Commission, Records Management Division, AMD-PIRS, Washington, DC 20554, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3060-\_\_\_\_\_), Washington, DC 20503.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-579, December 31, 1974, 5 U.S.C. 552(a)(3) and the Paperwork Reduction Act of 1980, P.L. 96-511, December 11, 1980, 44 U.S.C. 3507. FCC Form 45 - Page 2